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UNCLAS PRETORIA 003190

SIPDIS

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SUBJECT: SOUTH AFRICA: FUEL PRICES CONTINUE TO NEW RECORD
HIGHS

REF: PRETORIA 2665

Summary

1. (U) On August 3, 2005, the Department of Minerals and Energy increased the prices of gasoline, diesel, and kerosene to new all-time highs. All of the increase was due to the higher international crude oil price. End Summary.

Government Announces Further Price Increases

2. (U) On August 3, the Department of Minerals and Energy (DME) again increased the retail price of gasoline in rand terms by 5.0% and the wholesale prices of diesel and kerosene by an average of 3.1% and 3.7%, respectively. This is on top of the respective July 6 increases of 5.7% (retail), and 10.5% and 8.9% (wholesale). A slightly strengthening rand was overshadowed by the increase in the international price of crude oil, which was totally responsible for this month's price increases. The tables below show the increases in the average price of fuel in Johannesburg and components for the new price.

Wholesale Johannesburg Prices (U.S. Dollars/Gallon)

	June	July	Aug	%Change
Gasoline - (retail)	3.05	2.99	3.16	+5.7
Diesel - 0.3% Sulfur	2.82	2.89	3.00	+3.8
Diesel - 0.05% Sulfur	2.95	3.02	3.13	+3.6
Kerosene	2.23	2.26	2.36	+4.4

Wholesale Johannesburg Prices (S.A. Rands/Liter)

	June	July	Aug	%Change
Gasoline - (retail)	5.06	5.35	5.62	+5.0
Diesel - 0.3% Sulfur	4.68	5.17	5.33	+3.1
Diesel - 0.05% Sulfur	4.89	5.40	5.57	+3.1
Kerosene	3.71	4.04	4.19	+3.7

Cost Components of the New Price

Basic Fuel Cost	53.4%
Taxes and Levies	28.7%
Operating Costs and Dealer Margins	17.9%

FRAZER